

Translation

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## Summary of Non-Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

January 29, 2019

Company name: OBIC BUSINESS CONSULTANTS CO.,LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 4733 URL <https://www.obc.co.jp>  
 Representative: President and Representative Director Shigefumi Wada  
 Senior Managing Director, General Manager  
 Inquiries: of Administrative Headquarters and Manager Hiroko Wada TEL 03-3342-1881  
 of Administrative Division  
 Scheduled date to file Quarterly Securities Report: February 7, 2019  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the nine months ended December 31, 2018 (from April 1, 2018 to December 31, 2018)

(1) Non-consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2018	21,244	25.0	9,400	43.7	10,084	29.7	7,885	43.5
Nine months ended December 31, 2017	16,995	0.1	6,540	(9.0)	7,772	(0.7)	5,495	0.8

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2018	104.92		–	
Nine months ended December 31, 2017	73.12		–	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of December 31, 2018	130,095		111,509		85.7	
As of March 31, 2018	123,615		105,264		85.2	

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2018	–	40.00	–	40.00	80.00
Year ending March 31, 2019	–	40.00	–	–	–
Year ending March 31, 2019 (Forecast)	–	–	–	25.00	–

3. Forecast of non-consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	27,500	17.0	11,500	18.1	12,500	11.6	9,230	12.9	122.80

4. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2018	80,704,000 shares	As of March 31, 2018	80,704,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2018	5,539,926 shares	As of March 31, 2018	5,539,880 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2018	75,164,085 shares	Nine months ended December 31, 2017	75,164,144 shares
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**Quarterly non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	87,123,504	92,177,591
Notes receivable - trade	1,599,020	2,019,614
Accounts receivable - trade	6,579,912	6,383,180
Merchandise and finished goods	131,452	138,782
Work in process	1,078	1,127
Raw materials and supplies	54,178	65,293
Prepaid expenses	183,152	131,717
Accounts receivable - other	5,928	4,813
Other	10,083	19,335
Allowance for doubtful accounts	(13,077)	(6,514)
Total current assets	95,675,235	100,934,942
Non-current assets		
Property, plant and equipment	537,014	432,014
Intangible assets	453,912	405,931
Investments and other assets		
Investment securities	26,189,944	27,567,523
Shares of subsidiaries and associates	16,093	16,093
Long-term accounts receivable - other	67,680	64,640
Lease and guarantee deposits	709,715	710,921
Membership	37,780	32,380
Claims provable in bankruptcy, claims provable in rehabilitation and other	2,922	1,785
Allowance for doubtful accounts	(74,752)	(70,575)
Total investments and other assets	26,949,383	28,322,768
Total non-current assets	27,940,310	29,160,714
Total assets	123,615,545	130,095,657

(Thousands of yen)

	As of March 31, 2018	As of December 31, 2018
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	243,543	236,559
Accounts payable - other	499,224	598,223
Accrued expenses	757,776	751,706
Income taxes payable	2,231,917	1,268,092
Accrued consumption taxes	217,387	450,266
Deposits received	78,724	171,146
Unearned revenue	10,857,959	10,280,833
Provision for directors' bonuses	64,000	40,000
Other	3,855	3,833
<b>Total current liabilities</b>	<b>14,954,388</b>	<b>13,800,660</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	1,600,037	2,783,330
Provision for retirement benefits	1,651,289	1,855,802
Asset retirement obligations	145,200	146,081
<b>Total non-current liabilities</b>	<b>3,396,528</b>	<b>4,785,214</b>
<b>Total liabilities</b>	<b>18,350,916</b>	<b>18,585,875</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	10,519,000	10,519,000
Capital surplus	18,949,268	18,949,268
Retained earnings	71,557,652	76,436,973
Treasury shares	(5,349,143)	(5,349,324)
<b>Total shareholders' equity</b>	<b>95,676,776</b>	<b>100,555,917</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	9,587,851	10,953,864
<b>Total valuation and translation adjustments</b>	<b>9,587,851</b>	<b>10,953,864</b>
<b>Total net assets</b>	<b>105,264,628</b>	<b>111,509,781</b>
<b>Total liabilities and net assets</b>	<b>123,615,545</b>	<b>130,095,657</b>

**Non-consolidated statements of income (cumulative)**

(Thousands of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Net sales	16,995,283	21,244,446
Cost of sales	2,643,969	3,289,548
Gross profit	14,351,314	17,954,898
Selling, general and administrative expenses	7,810,434	8,554,748
Operating profit	6,540,879	9,400,149
Non-operating income		
Interest income	94	136
Dividend income	600,528	660,220
Gain on investments in partnership	572,145	6,300
Other	59,348	25,408
Total non-operating income	1,232,116	692,066
Non-operating expenses		
Loss on sales of investment securities	228	817
Other	234	6,682
Total non-operating expenses	462	7,500
Ordinary profit	7,772,534	10,084,715
Extraordinary income		
Gain on sales of investment securities	–	1,408,415
Gain on sales of memberships	–	1,200
Total extraordinary income	–	1,409,615
Extraordinary losses		
Loss on valuation of investment securities	–	328
Total extraordinary losses	–	328
Profit before income taxes	7,772,534	11,494,002
Income taxes - current	2,003,606	3,027,129
Income taxes - deferred	273,098	580,987
Total income taxes	2,276,705	3,608,117
Profit	5,495,829	7,885,885

## Non-consolidated statements of cash flows

(Thousands of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Cash flows from operating activities		
Profit before income taxes	7,772,534	11,494,002
Depreciation	297,076	331,342
Increase (decrease) in provision for retirement benefits	165,077	204,512
Increase (decrease) in provision for directors' bonuses	(32,000)	(24,000)
Increase (decrease) in allowance for doubtful accounts	(29,280)	(10,740)
Interest and dividend income	(600,622)	(660,357)
Loss (gain) on sales of investment securities	228	(1,407,597)
Loss (gain) on valuation of investment securities	-	328
Loss (gain) on sales of membership	-	(1,200)
Loss (gain) on investments in partnership	(572,145)	(6,300)
Decrease (increase) in notes and accounts receivable - trade	1,367,634	(223,861)
Decrease (increase) in inventories	6,830	(18,493)
Decrease (increase) in prepaid expenses	79,282	51,434
Increase (decrease) in notes and accounts payable - trade	(92,223)	(6,984)
Increase (decrease) in accrued consumption taxes	(115,362)	232,878
Increase (decrease) in accrued expenses	(101,221)	(6,070)
Increase (decrease) in unearned revenue	(1,080,133)	(577,126)
Other, net	55,595	118,233
Subtotal	7,121,269	9,490,002
Interest and dividend income received	600,622	660,357
Income taxes paid	(3,229,641)	(3,889,542)
Net cash provided by (used in) operating activities	4,492,250	6,260,817
Cash flows from investing activities		
Proceeds from sales of investment securities	905,339	2,004,308
Decrease (increase) in long-term Accounts receivable-other	32,340	-
Purchase of property, plant and equipment	(124,310)	(45,041)
Purchase of intangible assets	(153,884)	(164,369)
Proceeds from sales of membership	-	6,600
Payments for lease and guarantee deposits	(73,991)	(2,492)
Proceeds from collection of lease and guarantee deposits	1,359	1,287
Net cash provided by (used in) investing activities	586,851	1,800,291
Cash flows from financing activities		
Cash dividends paid	(2,818,851)	(3,006,840)
Purchase of treasury shares	(265)	(180)
Net cash provided by (used in) financing activities	(2,819,116)	(3,007,021)
Net increase (decrease) in cash and cash equivalents	2,259,986	5,054,087
Cash and cash equivalents at beginning of period	81,300,586	87,113,504
Cash and cash equivalents at end of period	83,560,572	92,167,591